


TRANSMITTAL SLIP		DATE
TO: DD/S		
ROOM NO. 125	BUILDING East	
REMARKS: Attached is a copy of a Message from the President to the Congress printed in yesterday's <u>Congressional Record</u>, opposing the establishment of a Joint Commission on Civilian Employee Compensation Policy of the Federal Government. This apparently is intended to accomplish the most comprehensive review of this subject in thirty years. I believe this is a significant factor in considering any basic reviews of the Agency pay plan.		
		JOHN S. WARNER
cc: Personnel		
FROM: Legislative Counsel		
ROOM NO. 221	BUILDING East	EXTENSION 
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED. (47)

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is, mail without postage prepaid which requires collecting at destination.

The Speaker asked two amendments, neither of which materially affect the bill as it passed the House. The first retains the present rates on business reply cards. These rates will recover cost of handling and would be the same under the bill as it passed the House. However, the House position would have permitted, in the future, the Postmaster General to increase rates if costs rose. The second Senate amendment merely authorizes the Sergeant at Arms and Secretary of the Senate to use their frank for sending official business as well as public documents. At the present time, they use their frank for public documents only. Since this is a matter solely related to the Senate, it is my opinion there is no question that should be raised by this body.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TROOPS TO THE MIDDLE EAST

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, I support Mr. Eisenhower's action in sending troops to the Middle East. America should be firmly united behind this action.

The alarming acceleration of adverse events in the Middle East makes very clear the fact that America must now act or watch the influence of the Western World in that area disintegrate.

Talk is useless. Negotiations cannot cope with force and democracy can no longer rely on diplomacy alone to deal with violence.

Nasser, working in the shadow of the Kremlin, makes a joke of the democratic processes which saved his own neck. But in his tactics, copied verbatim from his Russian tutors, are found a stern lesson for the United States.

The Eisenhower doctrine for the Middle East was the Dulles substitute for the positive policies of Britain, France, and Israel. In the 2 years of its existence, events have gone from bad to worse. Our stature in the area and that of the West has steadily deteriorated. Now Nasser openly espouses the role of force. Talk will not stop him. We can still pick the place and method for a showdown—but not for long. We are close to the end of the line in the Middle East. Unless there is a sharp reversal, the area soon will be lost and with it the approaches to Africa.

America takes no pride in indecision or in temporizing. America will support

strong policy. America knows waiting moves disaster. If we have to fight, it is better to win it now than to wait until we are backed into a corner.

CORRECTION OF RECORD

Mr. PORTER. Mr. Speaker, I ask unanimous consent that in the Record of Thursday, July 10, on page 12190, in the second column, on the 16th line, on the bottom, the word "wrong" be corrected to read "wronged."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PRESIDENT EISENHOWER BREAKS HIS OWN COMMITMENT TO CONGRESS BY INTERVENING IN THE MIDDLE EAST WITHOUT CONSULTING CONGRESS

Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. REUSS. Mr. Speaker, American troops are landing in Lebanon.

Under our existing commitments we are not obliged to intervene.

The Eisenhower doctrine calls for intervention by the United States at the request of a Middle Eastern country subjected to an armed attack by a country controlled by international communism. The U.N. recently determined that no such outside attack was being made.

By intervening, we risk not only world war III, but also the moral revulsion of the uncommitted world. The West has great interests in the Middle East, including oil and Israel. But may not these interests be better served by recognizing inexpressible Arab nationalism and trying to channelize it constructively than by declaring war to the death against it now?

Because of the great issues at stake, the administration should not have intervened in the Middle East without consulting Congress and allowing debate. If a sudden change in events confronted us with a situation like Korea, intervention without debate would be justified. But this has not happened.

President Eisenhower in 1957 told Congress:

If . . . a situation arose which called for military application of the policy which I ask the Congress to join me in proclaiming, I would, of course, maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

If the President is obliged to consult Congress in the event of a violation of the Eisenhower doctrine, how much more is he required to consult Congress in the event of an intervention not required by the Eisenhower doctrine. If speed is required for the consultation and debate, I know that Members are prepared to sit morning, noon, and night. If secrecy is required, this body has adequate machinery under its rules for proceeding in executive session.

EMPLOYEES OF THE FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Post Office and Civil Service, and ordered to be printed.

To the Congress of the United States:

The compensation of its employees by the Federal Government is of major concern to the taxpayers of the United States, the Government itself, and, of course, its employees. A salary system should be compatible with sound business practice, justifiable in cost, and should insure equitable pay relationships among all employees. There is increasing evidence that the pay policy of the Federal Government falls short of these criteria.

During recent years it has become more and more difficult for the Federal Government to recruit and retain competent employees because its salary scales often have not remained competitive with those of non-Federal employment. The recent debates in the Congress on the postal and classified pay bills have emphasized the problems inherent in a system which depends exclusively on the legislative process for the periodic adjustment of salary schedules. A number of Members of Congress have expressed a desire for a better way of adjusting the pay of Government employees.

It has been more than 30 years since a comprehensive review has been made of the manner in which the Federal Government compensates its employees. During this period the size of the Government and the complexity of its activities have increased enormously. As new activities have been added, new pay systems have been created.

It is estimated that there are now at least 77 different pay plans in the executive branch. Nearly a million employees under the Classification Act and another one-half million under the postal service have their pay fixed and adjusted by statute. Another large group, the 777,000 blue collar employees, have their wages adjusted from time to time by the heads of employing agencies in accordance with prevailing rates. Pay rates under some of the remaining plans are set by statute and others are fixed by agency heads. Moreover, when an agency head fixes such rates he operates under statutory restrictions which vary from one system to another. It has been found that there are more than 300 different statutes bearing on the pay of Federal employees.

Over the past 10 years adjustments in the salaries of most white collar workers have been made on the average of once every 2½ years. Blue collar workers, on the other hand, have averaged one adjustment annually. The total percentage of increase thus realized by blue collar workers is considerably in excess of that realized by white collar workers whose pay is fixed by statute. As a result, supervisors in some establishments,

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because their pay is fixed by statute, are receiving less money than their blue collar subordinates. This is but one example of the many inconsistencies among the many systems.

The inadequacy of Federal pay rates, at least for certain levels and kinds of work, has led the Government to improvise with special pay provisions for certain groups, such as Public Law 313 rates for scientists and technical personnel and section 803 of the Classification Act which authorizes higher rates for hard-to-recruit categories. The effects of such patchwork should be investigated. Particularly should it be ascertained what such patch work does to the basic principle of equal pay for equal work.

The fact of the matter is, the Federal Government has no comprehensive, uniform pay policy. Some systems base salary rates on the degrees of difficulty and responsibility of the job, but recognize no difference between individuals with minimum qualifications and those of above average ability. Others, such as the Foreign Service and Veterans' Administration Medical and Surgical Service, set salaries on the basis of the personal qualifications of the individual.

For those positions where salary is established by statute there are no clear-cut criteria for determining when pay adjustments are necessary or the amount of adjustment to be made.

The periods between pay adjustments vary from annually for employees whose wages are fixed by wage boards to an average of every 20 years for Members of Congress, Federal judges, and members of the President's Cabinet. The rigidity in the pay of top Government officials has had the effect of depressing the salaries of career employees in the upper grades and has resulted in a gradual but progressive distortion of what were originally sound salary structures.

In summary, periodic revisions of the Classification Act salary schedule, the granting of numerous exemptions, and the development of new categories of employees have all resulted in a variety of pay systems, a lack of sound relationships among the salaries of various groups, and a failure to provide equitable treatment for all Federal employees. The piecemeal approach to this problem has put an excessive demand on the time of the Congress and has subjected it to a variety of pressures. The lack of coordination among the various pay systems has resulted in inequities and has adversely affected the Government's ability to recruit and retain all of the qualified people needed to conduct the Nation's business in an efficient and satisfactory manner.

In recent years a number of groups have studied the pay problems of various segments of the Government. These groups include the Commission on Judicial and Congressional Salaries, the Defense Advisory Committee on Professional and Technical Compensation (Cordiner Committee), and the Committee on Scientists and Engineers. The most recent study was made by the In-

terdepartmental Committee on Civilian Compensation and Pay Systems Within the Executive Branch. Copies of this last report will be made available to the Congress shortly.

The reports of these studies have each made some sound recommendations for correcting certain of the deficiencies of the Federal pay systems—but few have been adopted. None dealt with the compensation policy of the Federal Government as a whole. What is needed is a comprehensive, all-inclusive study of the pay systems of all three branches so that the interrelationships of the various systems can be explored and recommendations made to achieve a high degree of coordination among them. I am convinced that the formulation of a sound, comprehensive Federal compensation policy can be accomplished only through joint legislative-executive action based upon an overall study of this kind.

Therefore, I propose:

I. That there be established a Joint Commission on the Civilian Employee Compensation Policy of the Federal Government, the Commission to be composed of 15 members:

One, the Chairman, to be appointed by the President;

Three, members of the executive branch, to be appointed by the President;

Four, Members of the Senate, to be appointed by the President of the Senate;

Four, Members of the House of Representatives, to be appointed by the Speaker of the House; and

Three, representing the public, to be appointed by the President.

II. That appropriations be made sufficient to enable the Commission to employ an Executive Director and necessary staff and to engage the services of experts from outside the Federal Government. The Commission should be authorized to draw upon the facilities and personnel of any of the agencies of the Government.

III. That the Commission be directed to study all compensation systems in all three branches of the Federal Government and determine upon a compensation policy which will provide equitable treatment for all, and which will contribute to the Government's ability to recruit and retain an adequate work force of qualified individuals.

A. In discharging this duty:

1. The Commission should, in addition to considering past studies, conduct any other studies necessary to provide itself with relevant and current information regarding salary structures within the Federal Government.

2. The Commission, because the military pay system is newly and entirely revised, should consider it only to the extent of its relationship to other compensation systems.

3. The Commission should recognize that the Foreign Service pay system is unique and is designed to fulfill a need not elsewhere encountered in the Government and that, therefore, it must remain a separate system.

B. The Commission should make recommendations, among other things, as to:

1. The criteria to be followed in creating a sound basic compensation structure, including the criteria for determining the proper number of grade levels, within grade salary ranges and between grade differentials.

2. The criteria to be followed in determining the actual salaries to be paid under the basic compensation structure.

3. The methods to be employed in making subsequent salary adjustments without impairing the basic compensation structure.

4. The criteria to be followed in determining whether, in a particular case, a special pay system is needed.

5. The criteria to be followed in establishing sound relationships between career employees pay systems, between the compensation of career employees and that of elected and appointed officials, and between salaries paid in all three branches of the Government; also, the methods to be employed to insure the maintenance of these sound relationships when salary adjustments subsequently are made.

6. The feasibility and advisability of increased administrative authority to fix and adjust salaries, and the means of exercising such authority.

IV. That the Commission be directed to complete its work and submit a report to the President and the Congress on or before January 1, 1960.

I urge the enactment of legislation during the current session of the Congress to carry out these proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, July 15, 1958.

PUBLIC WORKS APPROPRIATION BILL, 1959

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12858) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

Mr. TABER. Mr. Speaker, reserving the right to object, I hope the conferees on the part of the House will uphold the position of the House to the utmost.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. Mr. Speaker, I am in thorough agreement with the gentleman from New York. And the needs of the day emphasize his position. It is high time we realized that the only consideration recognized by much of the world today is force.

All efforts to build up friendship and mutual cooperation in the disturbed areas of the world in the last decade